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# A Question of Motivations: Determining Why Donor Countries Give Aid

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# A Question of Motivations: Determining Why Donor Countries Give Aid

## **Abstract**

Despite the fact that foreign aid has been around in its present form since World War II, foreign aid analysis, especially from the donor's point of view, has been and continues to be highly contested. In 1992, the United Nations claimed that "ODA [Official Development Assistance] allocation is 'strange and arbitrary'" and "ODA is determined not by the needs of developing countries, but by the fluctuating goodwill of the people and their parliaments in the rich countries. As a result, it is largely ad hoc and unpredictable" (United Nations Development Programme, 45). This statement cannot, however, explain why Africa is consistently the world's most aided region (Lancaster, 487). Something about African countries continually appeals to the donor countries, meaning that ODA allocation is not as strange and arbitrary as the UN claimed. This begs the question: What motivates donor countries to give aid to countries in Africa?

# A Question of Motivations: Determining Why Donor Countries Give Aid

Sarah Fuller

## Introduction

Despite the fact that foreign aid has been around in its present form since World War II, foreign aid analysis, especially from the donor's point of view, has been and continues to be highly contested. In 1992, the United Nations claimed that "ODA [Official Development Assistance] allocation is 'strange and arbitrary'" and "ODA is determined not by the needs of developing countries, but by the fluctuating goodwill of the people and their parliaments in the rich countries. As a result, it is largely ad hoc and unpredictable" (United Nations Development Programme, 45). This statement cannot, however, explain why Africa is consistently the world's most aided region (Lancaster, 487). Something about African countries continually appeals to the donor countries, meaning that ODA allocation is not as strange and arbitrary as the UN claimed. This begs the question: What motivates donor countries to give aid to countries in Africa?

Peter J. Schraeder, Steven W. Hook, and Bruce Taylor address this question in "Clarifying the Foreign Aid Puzzle: A Comparison of American, Japanese, French, and Swedish Aid Flows," in which they provide a systematic explanation of donor motivations. In their research they examine why America, Japan, France, and Sweden gave foreign aid to 36 countries in Africa from 1980 to 1989. The present study addresses the same question from 1990 to 1999 and draws largely on Schraeder et al.'s work. However, the end of the Cold War was a turning point for donor motivations. Traditional military issues, such as containment and military alliances with recipients with greater military abilities, began to decline in importance. Issues that had previously been overlooked, such as regional stability, became increasingly important, and countries with the ability to affect that stability became important strategically for donors looking to prevent the need for military intervention. Meanwhile, economic issues also became increasingly important. Thus, this study largely

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replicates Schraeder et al.'s research, but it also goes beyond Schraeder et al.'s work to examine the changes brought about by the end of the Cold War.

The first section of this research provides a review of the theoretical and empirical literature that researchers use to explain donor motivations. Particular attention is paid to the competing theories in the field. The second section sets forth the research design and variable operationalization of the present study. Finally, the third section contains the analysis, findings, and conclusions of the research.

## **Literature Review**

There are three general theories of donor motivations that researchers acknowledge as possible explanations for their findings. They are the idealist, realist, and neo-realist explanations, and they are all widely supported by empirical research. These theories provide not only explanations for why governments choose certain recipient countries, but they are also justifications that governments use to earn their citizens' support for their policy choices.

### **Idealist Theory**

The idealist theory posits that governments use aid to promote humanitarian concerns. Idealist scholars are optimistic about foreign aid's ability to solve the problems of Third World poverty and underdevelopment. Thus, this theory also asserts that donors may give foreign aid to support the spread of democracy and human rights. In short, idealists believe foreign aid is based on humanitarian need. Many researchers in the field have come to similar conclusions that countries with lower income on a per capita basis receive more aid than middle-income countries (Dowling and Hiemenz, 540). A conclusion from a textbook on economics states that donors use their foreign aid in ways that favor the poorest countries over the middle-income countries (Gillis et al., 378). These findings strongly suggest that donor countries give foreign aid based on humanitarian need.

### **Realist Theory**

The realist theory contrasts sharply with the idealist theory and was widely accepted toward the end of the Cold War. Realists believe that foreign aid policies are made with strategic

concerns in mind, such as national security and self-preservation (Schraeder et al., 296). Thus, "foreign aid is perceived as only minimally related to recipient economic development and the humanitarian needs of recipient countries are downplayed" (Ibid). Realist scholars expect countries with the most humanitarian need to be passed over by the donor countries if the recipient countries cannot also provide significant alliances and military aid. Schraeder et al. cite R.D. McKinlay and their own Steven Hook as the founders of research supporting the realist theory. In his research, McKinlay concludes that the humanitarian theory, though providing a simple moral relationship between donors and aid, is flawed (McKinlay, 447). His research shows that France and America, more than any other countries, base their donations on national interest. He finds, for example, that America's role as a global superpower concerned about security is reflected in its aid donations (Ibid, 451). Steven Hook also argues that foreign aid is given purely out of national interest. In his book, *National Interests and Foreign Aid*, he states "the fundamental principle of aid giving as 'the price of affluence' has been accepted by nearly all industrialized states, which have added the fiscal aid institutional components of foreign aid to their diplomatic arsenal" (Hook, 21). He begins his book with a quote by E.H. Carr that sums up Hook's findings and beliefs: "the accepted standard of international morality in regard to the altruistic virtues appears to be that a state should indulge in them so far as this is not seriously incompatible with its more important interests" (Ibid, 3). Thus, scholars in this vein would argue that aid is given only when it agrees with national interests.

### Neo-realist Theory

The neo-realist theory is the third general theory that is widely accepted by researchers in the field. It is an evolved (post-Cold War) form of the realist explanation. National interests still form the basis of foreign aid, but the focus shifts from national security and self-preservation to economic interests. Neo-realists argue that donor countries use aid in ways that promote their economic interests (Tuman et al., 89). Thus, donors will give more aid to the countries that have the most to offer them by way of exports, access to raw materials, and industrial competitiveness. In short, donor countries give foreign aid to "create export and investment opportunities, particularly in larger countries that offer large markets to [the donor country's] firms" (Ibid). In their research, scholars challenge the idealist theory, claiming that

"many donor governments have indicated that, in their aid allocations, they also take their own national interests into account [such as] maintaining spheres of influence, [...] or simply of promoting their own export trade" (Maizels and Nissanke: 879). Schraeder et al. found that economic interests dominated Japan's motivation, with the top recipients providing essential raw materials for Japanese industry, serving as a potential source of such raw materials, or providing major markets for Japanese products (Schraeder et al., 312). Thus, many scholars would argue that national interests, especially economic interests, are the determining factor for deciding who will get the foreign aid.

### **Combining the Three Theories**

Recent research supports the conclusion that donors do not give aid for only one reason. Instead, they prioritize their donations so that they may give aid in ways that support all three theories, but with different degrees of importance. Research by Schraeder et al. shows that in the 1980s the United States was primarily concerned with military possibilities, secondly with economic potential, next with anti-Communist countries, and lastly with helping countries plagued with lower economic growth rates than the rest of the African countries. These findings support all three theories. France was found to give the most weight to spreading its own culture, thereby giving more aid to former colonies, and secondly to countries with greater strategic importance to France, thus supporting primarily the neo-realist theory and to a lesser extent the realist theory. Sweden's helping former Portuguese colonies first, then countries with a socialist ideology, and lastly countries with higher Gross National Product (GNP) per capita means it also supports a mixture of the theories. The first two motivations are strategic in nature and have to do with Sweden's attempt to maintain its sphere of influence during the Cold War. The third motivation is economic, as a higher GNP per capita means a larger market. Other researchers have found that although "Japan did target economic assistance to countries with lower per capita income," their economic national interests played a much greater role, as "ODA was used to promote Japan's national economic interests," showing the dual motivations of neo-realist and idealist motivations (Tuman et al., 98). Therefore, there is the possibility that aid motivations may be a mixture of the idealist, realist, and/or neo-realist theories.

The end of the Cold War made it possible for donor countries to diversify their reasons for giving aid. Ideological stance

was a key factor for determining the recipients of foreign aid during the Cold War because the United States in particular would not support Marxist or socialist regimes, while Sweden supported socialist countries. However, a region-wide recession and the rise of pro-democracy movements caused leaders of all ideologies to reassess their political and economic ideologies. The fall of Communism and the end of the Cold War played no small role in accelerating the wave of change to capitalism. Increasing International Monetary Fund requirements of restructuring economies and political systems according to free-market principles also spurred the change. By 1993, all previously Marxist countries had converted to capitalism, and Libya was the only country in Africa that was officially committed to a version of socialism. Thus, donors were no longer limited to helping some countries and not others based on their ideologies in the 1990s.

Donors did not need to maintain their military alliances created for the purposes of containment after the Cold War. Countries with large militaries went from being favored with aid due to their ability to aid in containing Communism to being perceived as something of a threat to regional peace and stability in the aftermath of the Cold War. Thus, what qualifies as a strategic military benefit to the donors begins to change after the Cold War. Countries with smaller militaries become preferable for donors because they have less potential to threaten peace and stability within their regions through civil or external wars.

Thus, by no longer needing to buy allies as they did during Cold War, donor countries are more free than ever before in the history of foreign aid to give aid for a multitude of reasons. Therefore the importance of humanitarian and economic causes increases in the 1990s and donors are able to mix and match their aid policies to pursue many different ends. Thus, in the aftermath of the Cold War, it is unexpected that any donor country would give aid purely for one reason, humanitarian, military, or economic, alone.<sup>1</sup>

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<sup>1</sup>There is a fourth theory in the field: the neo-Marxist paradigm. Neo-Marxists share the neo-realist's belief in the donor country's goal of profiting from giving foreign aid. However, neo-Marxists see donor countries as actively seeking to keep recipient countries from moving up in the world while profiting from the relationship and increasing economic disparity in recipient countries. Neo-realists believe that donor countries have at least some interest in the prosperity of the recipient country because of the markets it provides. Such a theory is intrinsically difficult to test, and therefore lacks empirical research to support it. Therefore, though this theory is a compelling explanation, indeed, one that has held considerable sway with scholars for decades, it must be excluded from this research. For an intriguing though non-empirical first-hand account in support of the neo-Marxist paradigm, see Nanda Shrestha, "Becoming a Development Category," *Power of Development* (Jonathan Crush, Ed), (New York: Rutledge, 1995).

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## Research Design

This study hopes to reach new conclusions regarding donor motivation by comparing the results of this study to the results of Schraeder et al.'s research. At a time when the pool of foreign aid donors was shrinking and most governments were making cuts in foreign aid contributions, it can be expected that donors gave higher priority to countries that satisfied their qualifications, making the decade immediately after the end of the Cold War an ideal time period to study in order to determine donor motivations. This study hopes to confirm that the end of the Cold war coincided with a decrease in the motivational power of strategic military interest as expressed through the importance of the recipient's military capabilities and an increase in the importance of countries having smaller militaries. This study also hopes to show the expected increase in the motivational powers of humanitarian causes and economic benefits that correspond with the end of the Cold War and greater freedom to pursue more ends through foreign aid.

The donor countries of this study are the United States, France, Sweden, and Japan. They are all known for their major contributions in Africa, relative to other donors. As northern industrialized democracies all four donors also share similar characteristics. However, they play significantly different roles international politics, and as such, have varying motivations for giving aid. The recipient countries remain the same 36 African countries<sup>2</sup> that Schraeder et al. use in their research, with it being noted that Zaire became the Democratic Republic of Congo. In a departure from Schraeder et al.'s research, this research adds South Africa to the study because beginning in 1994 with the end of Apartheid the four donors began contributing foreign aid to South Africa for various reasons. South Africa is a valuable case due to its struggle for democracy, having enormous humanitarian need due to the AIDS epidemic, and its prospects as a trade partner. The reasoning behind the selection of these 37 cases is that it provides a large number of cases with considerable diversity while avoiding complications that might arise from subsystem differences that could come up when comparing countries in Africa with countries in other regions of the world. Thus, the research

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<sup>2</sup>Algeria, Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Congo, Democratic Republic of Congo (formerly Zaire), Egypt, Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Liberia, Libya, Madagascar, Malawi, Mali, Mauritius, Morocco, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe.



design is a pooled cross-sectional time-series with the unit of analysis at the national level. There are a total of 370 cases.

The dependent variable throughout the research is the amount of foreign aid given to the 37 countries in Africa by each of the four donor countries. The dependent variable is operationalized as the yearly amount of foreign aid given to the 37 African recipients by each of the donor countries between 1990 and 1999, which is shown in Appendix A, and is expressed as a percentage of the recipient country's GNP in US dollars.<sup>3</sup> In order to determine what motivates the four donor countries, this research examines three hypotheses, which test the idealist, realist, and neo-realist theories explained in the literature review.

**Hypothesis 1:** Donor countries will increase the amount of foreign aid they give recipient countries as the humanitarian need in the recipient countries increases.

If the research supports this hypothesis, then it will support the idealist explanation of donor countries' motivations. Thus, countries with the greatest humanitarian need will be given the most aid. Humanitarian need has four measures. The first measure is the average life expectancy of the recipient country's population.<sup>4</sup> The second measure is that population's daily caloric intake.<sup>5</sup> The third measure is the GNP per capita in the recipient country.<sup>6</sup> This measure is tricky because it requires a negative

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<sup>3</sup> Source of data is the Organization for Economic Cooperation and Development online database: "Geographical Distribution of Financial Flows to Aid Recipients 1969-2000," [www.sourceoecd.org](http://www.sourceoecd.org). The measure of ODA used is Total Gross ODA. It is not divided into loans and grants, but it is only financial contributions, so aid such as Food for Peace is not included. Also, for Liberia, Libya, and Somalia, GNP measures were unavailable, so GDP measures were substituted. The correlation between GDP and GNP for countries that had both measures available had a Pearson's R of .995 with a T significance of .000, meaning that the two measures can be substituted without biasing the results. Source for GDP data is *Statistical Yearbook*, (New York: United Nations, 2000).

<sup>4</sup> Source is the World Development Indicators, CD-ROM, (Washington, D.C.: The World Bank, 2001).

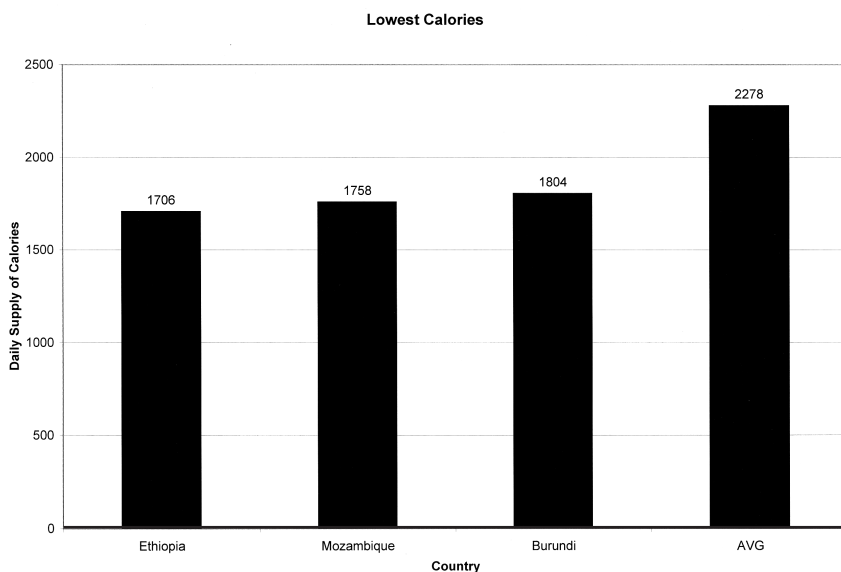
<sup>5</sup> Source is the Human Development Reports, (New York: United Nations Development Program (UNDP, 1993, 1996, 1998, 1999, and 2000).

<sup>6</sup>Source is "Geographical Distribution of Financial Flows to Aid Recipients 1969-2000." GNP per capita data is unavailable for Liberia, Libya, and Somalia, so GDP per capita is substituted. A correlation between GNP per capita and GDP per capita has a Pearson's R of .982 and a T significance of .000, meaning that the two can be substituted without biasing the results. Source of GDP per capita is *Statistical Yearbook*, (New York: United Nations, 2000).

relationship in the analysis to support this hypothesis, as a lower GNP per capita shows greater humanitarian need. The final measure is a deviation from Schraeder et al.'s work. It is a dummy variable that measures whether or not the recipient country has suffered some kind of internal war, civil or ethnic based, for two or more years out of the ten-year period.<sup>7</sup> Due to the donor countries' commitment to aiding countries suffering from such strife and the large number of recipient countries in Africa suffering from this problem during the period in question, it is an appropriate measure for this research.

Figure 1 shows that the donor countries must favor the three countries with the lowest average caloric intakes, Ethiopia, Mozambique, and Burundi, for this measure to support the hypothesis. Figure 2 shows that the donor countries must support the four countries with the lowest average life expectancies, Sierra Leon, Rwanda, Malawi, and Uganda, to support the hypothesis. Figure 3 shows that the three countries with the lowest GNP per capita, Ethiopia, Mozambique, and the Democratic Republic of Congo, must be favored for this measure to support the humanitarian hypothesis. Figure 4 shows which countries suffered from internal war for at least two of the years in question.

Figure 1



<sup>7</sup>Source of data is *The World Factbook*, <http://www.cia.gov/cia/publications/factbook/>, CIA, 2001.

Figure 2

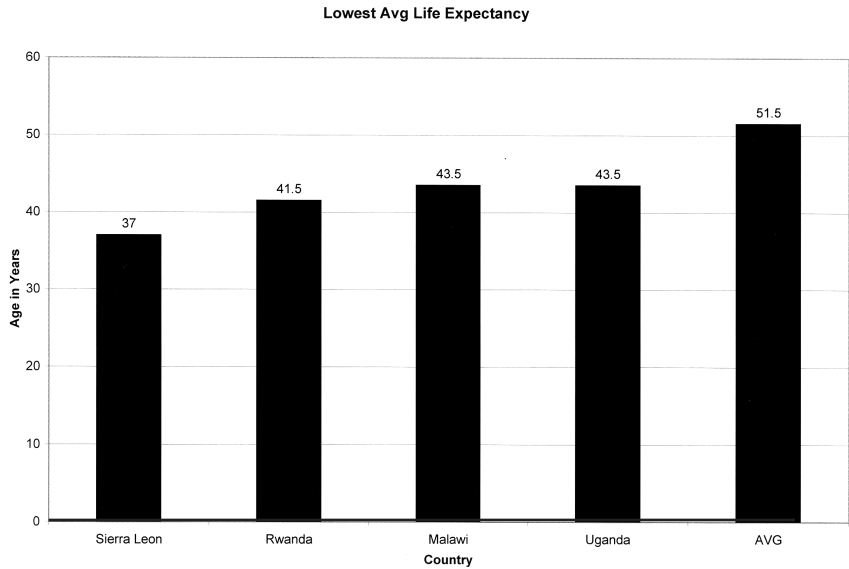


Figure 3

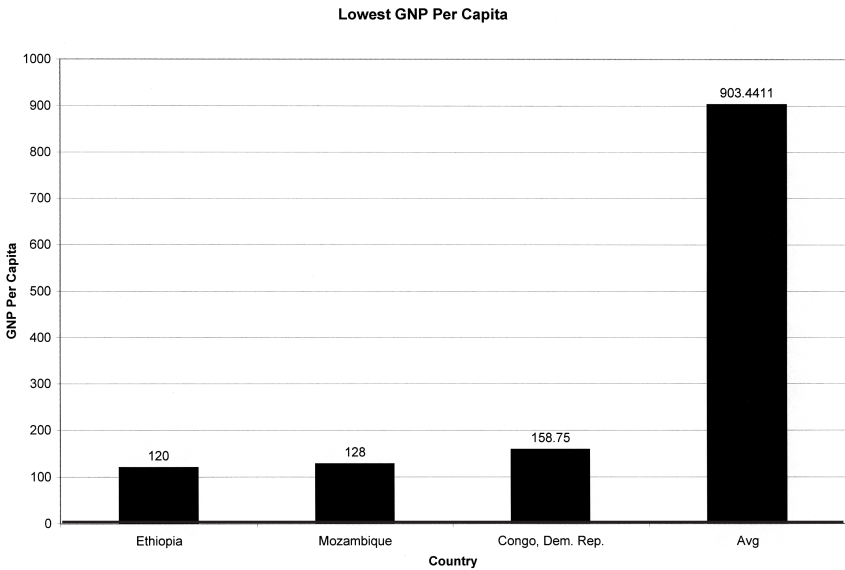


Figure 4

**Civil/Ethnic War for 2 or More Years Between 1990 and 1999 = X**

War	Country	War	Country
X	Algeria		Mali
X	Angola		Mauritius
	Benin		Morocco
	Burkina Faso	X	Mozambique
X	Burundi	X	Niger
	Cameroon		Nigeria
	Central African Rep.	X	Rwanda
X	Congo, Dem. Rep.		Senegal
	Congo, Rep.	X	Sierra Leone
	Côte d'Ivoire	X	Somalia
	Egypt		South Africa
	Ethiopia		Sudan
	Gabon		Tanzania
	Ghana		Togo
	Kenya		Tunisia
X	Liberia		Uganda
	Libya		Zambia
	Madagascar		Zimbabwe
	Malawi		

The charts immediately below show the distributions of the data over the ten-year period for all 37 recipient countries.<sup>8</sup>

**Daily Caloric Intake (in calories)**

Mean	Median	Minimum	Maximum
2298.2	2159.00	1610	3336

**Average Life Expectancy (in years)**

Mean	Median	Minimum	Maximum
52.04	50	34	72

**GNP Per Capita (in U.S. dollars)**

Mean	Median	Minimum	Maximum
903.44	352	120	6484.25

<sup>8</sup> Note that for all distribution charts the mode is not included because there are actually multiple modes.

**Hypothesis 2:** Donor countries give more foreign aid to countries with strategic importance.

This hypothesis tests the realists' "national interests" argument. Due to the end of the Cold War, strategic importance as a motivating factor for giving aid should decrease from 1990 to 1999. However, events in the Middle East during most of the period in question, but especially during the early 1990s, may cause traditional strategic importance to continue to be a motivating factor. Also, the increasing importance of regional stability as an important aspect of strategic importance may mean that strategic importance has merely changed in definition, not in its strength as a motivating factor since the end of the Cold War. Strategic importance is measured in two ways. The first is the percentage of the recipient country's GNP that is spent on the military. The second measure of strategic importance is the percentage of the country's labor force that is employed by the military.<sup>9</sup> Both of these measures were used in the Schraeder et al.'s research.<sup>10</sup>

Figure 5 shows that the donor countries must favor Sudan, Angola, and Rwanda for their high percentage of GNP spent on the military. However, this illustrates a problem with the data. It should be noted that Angola and Rwanda both suffered from internal wars during the period in question. Thus, their high ranking in regard to this measure is misleading. They would probably not be pursued by the donor countries due to their military potential, but they may receive aid from donors hoping to promote peace and stability in the region to avoid the need for military intervention. The misleading nature of this data should be kept in mind during the analysis later in this study. Figure 6 shows that the donor countries must favor Libya, Angola (again), and Egypt for their high percentage of the labor force that is employed by the military if they are to be seen as donors positively motivated by strategic importance. This measure is also misleading.

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<sup>9</sup> Source for the second and third measures of strategic importance is the *World Development Indicators*.

<sup>10</sup> Schraeder et al. used a third measure, the maintenance of a military alliance between the donor and recipient country, to measure the strategic importance variable, which, due to a lack of data, I cannot include in this research.

Figure 5

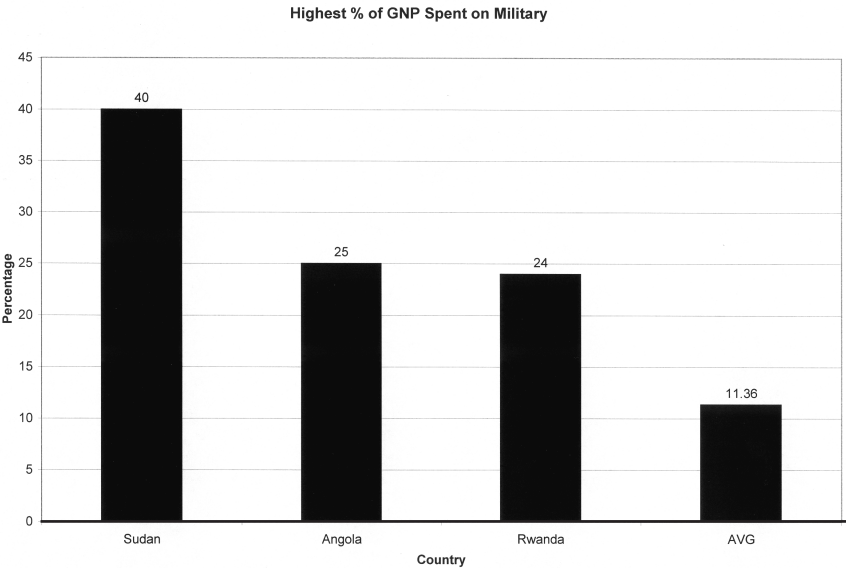
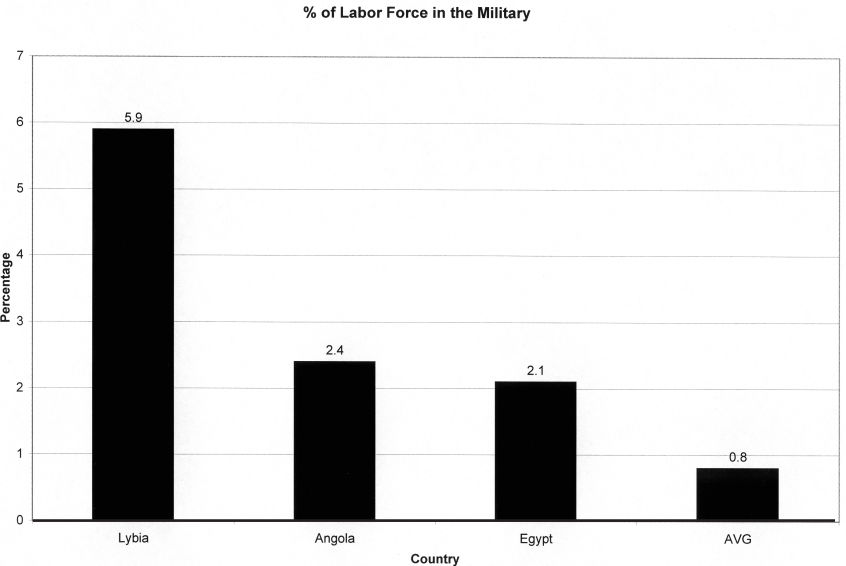


Figure 6



The charts below show the distribution of the data for the two measures of strategic importance.

Percentage of the GNP Spent on the Military

Mean	Median	Minimum	Maximum
12.76%	9.90%	1%	65%

Percentage of the Labor Force Employed by the Military

Mean	Median	Minimum	Maximum
.83%	.43%	0%	7%

**Hypothesis 3:** Donor countries will give more aid to countries with higher economic potential.

Recall that neo-realists argue that economic potential is what motivates donors to give foreign aid. Schraeder et al. expected the importance of economic potential to increase in the post-Cold War era. This change in priority is due to the fact that after the fall of Communism, many donor countries began to realize that they no longer needed to buy allegiance with their foreign aid and began to cut back on their contributions. As a result, the competition among recipient countries increased as they vied for the remainder of the foreign aid offerings. One way to lure donor countries, according to neo-realists, is to provide economic incentives. Thus, one would expect to see an increase in economic national interest as a motivator throughout the 1990s.

This research uses three measures of economic potential. The first measure is the importance of trade with the donor country, as measured by the percentage of total imports that the recipient imports from the donor country.<sup>11</sup> The second measure is the recipient country's GNP per capita, because a larger GNP per capita means larger markets.<sup>12</sup> Note that this is the same measure as is used to test the humanitarian hypothesis. A positive correlation in the models with GNP per capita means that this measure

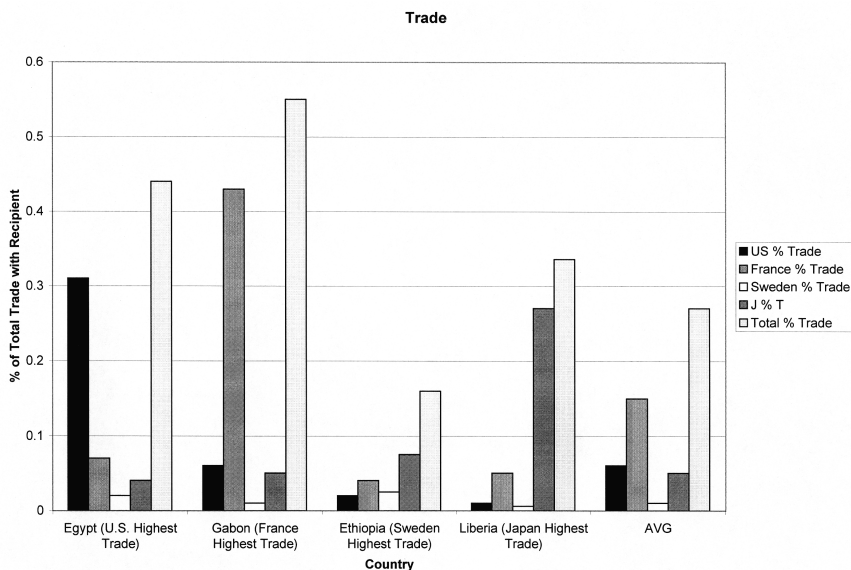
<sup>11</sup> Source of data is the *Direction of Trade Statistics Yearbook*, (Washington, D.C.: International Monetary Fund, 1992 and 2000).

<sup>12</sup> Source of data is "Geographical Distribution of Financial Flows to Aid Recipients 1969-2000." GNP per capita data is unavailable for Liberia, Libya, and Somalia, so GDP per capita is substituted. A correlation between GNP per capita and GDP per capita has a Pearson's R of .982 and a T significance of .000, meaning that the two can be substituted without biasing the results. Source of GDP per capita data is *Statistical Yearbook* (New York: United Nations, 2000).

supports the economic potential hypothesis. The third measure is a departure from Schraeder et al.'s research. It is a dummy variable for whether or not oil is one of the main exports of the recipient country during the period in question.<sup>13</sup> Because the four donors in this study are all largely dependent on foreign sources of oil, their connections with oil exporters are very important to their economies. Thus, the potential for the donors' access to oil is an excellent measure of economic potential in Africa.

Figure 7 shows that based on percentage of trade, the US should favor Egypt with ODA, France should favor Gabon, Sweden should favor Ethiopia, and Japan should favor Liberia if they are to be considered as motivated by economic potential. Figure 8 shows that based on GNP per capita, the four donors should favor Libya, Gabon, and South Africa to qualify as donors based on economic potential. Figure 9 shows which recipient countries are oil exporters.

Figure 7



<sup>13</sup> Source of data is *The World Factbook*, <http://www.cia.gov/cia/publications/factbook/>, CIA, 2001.



Figure 8

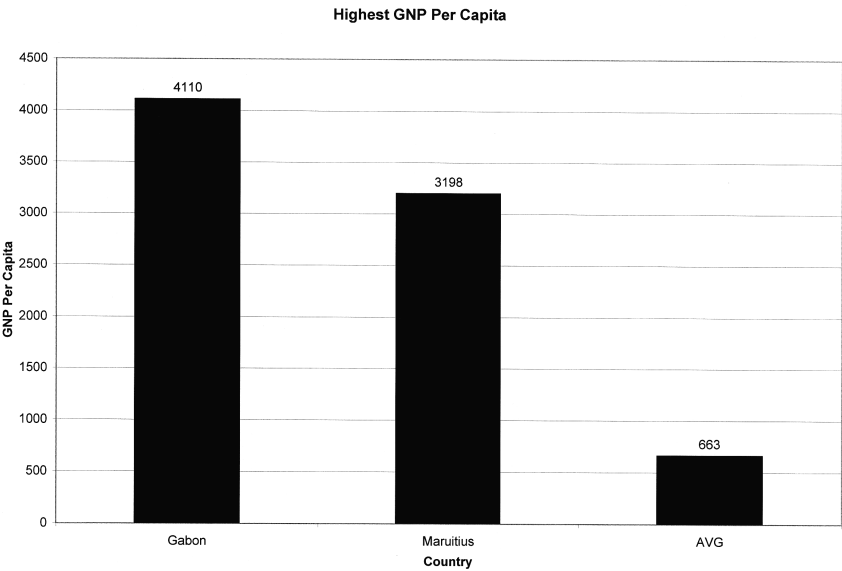


Figure 9

Oil Exporter = X

Oil	Country
	Algeria
X	Angola
X	Benin
	Burkina Faso
	Burundi
X	Cameroon
	Central African Rep.
X	Congo, Dem. Rep.
X	Congo, Rep.
X	Côte d'Ivoire
X	Egypt
	Ethiopia
X	Gabon
	Ghana
X	Kenya
	Liberia
X	Libya
X	Madagascar
	Malawi

Oil	Country
	Mali
	Mauritius
	Morocco
	Mozambique
	Niger
X	Nigeria
	Rwanda
X	Senegal
	Sierra Leone
	Somalia
	South Africa
X	Sudan
	Tanzania
	Togo
	Tunisia
	Uganda
	Zambia
	Zimbabwe

The analysis program used for getting the distribution of the data for the imports from each donor country, as a percentage of total imports, was unable to compute any of the distributions. However, the data distribution of GNP per capita is given below.

GNP Per Capita (in U.S. dollars)			
Mean	Median	Minimum	Maximum
903.44	352	120	6484.25

### **Hypotheses not Dealt with in this Study**

It should be noted that Schraeder et al. tested three additional hypotheses that are not examined in this research. Regional specialists claim that it is important to look at both the regions of Africa and the colonial ties, or cultural similarity, between the donor and recipient countries. They argue that donor countries may have a common policy for all countries within a region. They also cite France's strong preference for helping its former colonies and Sweden's preference for helping former Portuguese colonies as the importance for testing for cultural similarity.

However, the dummy variable measures for these two hypotheses substantially overlapped and had coincidental complications that confused the models during analysis. For example, all of the former Belgian colonies included in this study, Burundi, the Democratic Republic of Congo, and Rwanda all suffered from ethnic/civil wars during the period in question. A relationship favoring the former Belgian colonies appears to support the cultural similarity hypothesis, when in fact the data is actually showing that donors are motivated by recipients that are suffering from internal strife. The additional humanitarian measure of the war dummy variable in this research accounts for this possibility. The way Schraeder et al. divide up the regions also biases the findings, since some regions contain only a few countries while others have as many as 14.

Other problems with the region and colony measures included substantial overlap with the former Portuguese colonies all being in the South region, and certain regions being predominantly former French colonies. This high degree of multicollinearity between the two measures leads to inaccurate findings with regression models. In addition, with the end of the Cold War, it is logical that donors could now place more importance on their economic and humanitarian desires than on propping up countries that were similar for the sake of maintaining alliances.

Therefore, the hypotheses of region and cultural similarity are not included in this research.

The third hypothesis not included in this research but examined by Schraeder et al. dealt with ideology. As explained earlier, ideology becomes insignificant in the aftermath of the Cold War. By 1993, Libya is the only country in question that is not committed to capitalism. Thus, ideological stance cannot yield any significant correlations in this study because there is little variation among the market orientation of recipient countries. Therefore, one of Schraeder et al.'s most important variables for their research must be dropped from this research.

### **Analysis, Findings, and Conclusion**

Analysis of the data determines what motivated donor countries to give aid to recipient countries from 1990 to 1999. A normal Ordinary Least Squares (OLS) regression model run through STATA for each of the four donors provides the bulk of the analysis. However, research by Beck and Katz shows that in research where there is a large number of cases relative to the time period in question, as is the case in this research, normal OLS models may greatly exaggerate the confidence of the findings. As a check on the normal OLS regression models, the four models were run through STATA a second time to get Panel-Corrected OLS regression models, as recommended by Beck and Katz, which nullify any of the inaccuracies of the normal OLS regressions. However, the Panel-Corrected OLS models in STATA cannot give such measures as Standardized Beta Coefficients, which allow one to compare the relative weights of explanatory factors, and also Adjusted R Squares, which indicate the overall explanatory power of the models. Therefore, the Panel-Corrected models serve only as a validity check on the substantive and statistical significance findings of the normal OLS regressions and not as the basis of the analysis. Basic results of the normal OLS models and the Panel-Corrected OLS models are presented in Table 1 and Table 2 respectively.<sup>14</sup> The full regression statistics are given in Appendix B for the normal OLS models and Appendix C for the Panel-Corrected OLS models.

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<sup>14</sup>Two measures are dropped from the regression models due to multicollinearity complications that distort the findings if they are included in the models. The first is average life expectancy, which has a Pearson's R statistic of .816 and a t significance of .000 with daily caloric intake, and a Pearson's R statistic of .563 and a t significance of .000 with GNP per capita. These relationships are logically to be expected. The other measure not included is the percentage of the labor force that is employed by the military. It has a Pearson's R statistic of .692 with GNP per capita, and .407 with average life expectancy, both significant at the .000 level.

Table 1

NORMAL OLS MODELS FOR THE FOUR DONORS

Independent Variable	United States			France			Sweden			Japan		
	Coef.	Std. Beta	Sig of t	Coef.	Std. Beta	Sig of t	Coef.	Std. Beta	Sig of t	Coef.	Std. Beta	Sig of t
GNP Per Capita [H/E]	-3.01e-06	-.190	.047*	-5.55e-06	-.213	.004**	5.56e-07	.050	.631	-2.00e-06	-.210	.014*
Imports from the Donor [E]	.0653	.230	.023*	.1368	.708	.000**	.4027	.286	.001**	.0412	.120	.106
% of GNP Spent on Military [M]	-.0003	-.217	.016*	-.0004	-.146	.029*	-.0001	-.108	.237	-.0003	-.254	.001**
Daily Caloric Intake [H]	6.48e-07	.022	.834	-.0000	-.266	.000**	-8.78e-06	-.409	.000**	-6.83e-06	-.315	.001**
Oil Dummy [E]	-.0024	-.097	.311	.0013	.024	.707	-.0012	-.057	.510	-.0044	-.225	.002**
War Dummy [H]	.0071	.235	.023*	.0036	.057	.377	.0052	.217	.017*	-.0034	-.146	.061

Table 2

PANEL-CORRECTED OLS MODELS FOR THE FOUR DONORS

Independent Variable	United States		France		Sweden		Japan	
	Coef.	Sig of t	Coef.	Sig of t	Coef.	Sig of t	Coef.	Sig of t
GNP Per Capita [H/E]	-3.01e-06	.004**	-5.55e-06	.012*	5.56e-07	.133	-2.00e-06	.002**
Imports from the Donor [E]	.0653	.082~	.1368	.000**	.4027	.000**	.0412	.270
% of GNP Spent on Military [M]	-.0003	.002**	-.0004	.003**	-.0001	.243	-.0003	.001**
Daily Caloric Intake [H]	6.48e-07	.868	-.0000	.000**	-8.78e-06	.000**	-6.83e-06	.000**
Oil Dummy [E]	-.0024	.139	.0013	.691	-.0012	.062	-.0044	.000**
War Dummy [H]	.0071	.042*	.0036	.335	.0052	.150~	-.0034	.056

\*\* sig of t < .01; \* sig of t < .05; ~ means significant at the .05 level in the Normal OLS Model, but not in the Panel-Corrected OLS Models  
 C = Cultural Similarity Explanation  
 E = Strategic Economic Explanation  
 H = Humanitarian Explanation  
 M = Strategic Military Explanation  
 R = Region Explanation

*The United States*

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The United States has a fairly weak but significant regression model in terms of its Adjusted R Square of .1351 with an F significance of .0006. Nevertheless, the model shows that the U.S. supports all three hypotheses and theories. The U.S. is most strongly motivated by helping countries that suffer from internal strife, as the war dummy variable has a standardized beta of .235 and a t significance of .023. This finding supports the U.S.'s commitment to helping countries suffering from brutal civil/ethnic wars and, to some extent, helping countries struggling to establish or maintain democracy. It thus supports the humanitarian hypothesis, and therefore the idealist theory of donor motivations, which holds that donors give aid for humanitarian reasons.

Second in explanatory strength for the U.S. is the measure of trade, which has a standardized beta of .230 and a t significance of .023. This means that the U.S. prefers to help countries with which it has more trade. This finding can be explained by the U.S.'s policy of giving aid to assist in the development of the private sector in recipient countries while promoting U.S. private investment in the recipient countries. This finding supports the economic potential hypothesis, and thereby supports the neo-realist theory that claims donors give aid for economic benefits.

The percentage of recipient's the GNP that is spent on the military is the third most powerful explanatory measure. It has a standardized beta of -.217 and a t significance of .016. The negative relationship, coupled with the knowledge that the U.S. gives the most priority to helping countries struggling with internal strife, indicates that the U.S. is no longer motivated by military potential – at least not in the traditional sense of seeking out recipients with stronger military abilities. As previously discussed, the countries with the highest military expenditures are also mostly countries suffering from internal wars. However, the analysis shows that the U.S. helps these countries out first. Therefore, the U.S. has to be favoring other countries with much smaller militaries to create the negative relationship. This can be explained in two ways. First, the U.S. no longer needs to maintain its Cold War alliances, and therefore does not need to help countries with larger militaries. In this sense, the analysis shows that the expected decline in the motivating power of military potential in the aftermath of the Cold War is occurring. However, with the end of the Cold War, issues that were previously ignored, such as regional instability, become more prominent. In this respect, the U.S. tries to promote peace and stability within

Africa by giving aid to countries with smaller militaries. By promoting peace through aid, the U.S. can hopefully avoid the need for costly military interventions, such as in Somalia, and achieve its stated goal of promoting regional cooperation among developing countries. Thus, the definition for what qualifies as a strategic military benefit has changed since the end of the Cold War. Therefore, this finding at the same time shows the expected decline of military potential in the traditional sense as a motivator, where donors seek recipients for their military abilities, yet supports the military potential hypothesis, due to the change in what is defined as a strategic military benefit in the aftermath of the Cold War. Hence, it also supports the realist theory that donors give aid based on the recipient country's strategic importance to the donor.

The final and weakest motivator for the U.S. is the measure of GNP per capita. The standardized beta of  $-.190$  with a  $t$  significance of  $.047$  indicates that the measure supports the humanitarian interpretation rather than the economic interpretation, which would have required a positive relationship. The U.S.'s commitment to poverty reduction in recipient countries explains this finding. It therefore supports the humanitarian hypothesis, and therefore the idealist theory of donor motivations.

Thus, the model shows that the U.S. has gone from being equally motivated by both strategic importance and economic potential and thirdly by humanitarian need in Schraeder et al.'s research to being motivated dominantly by humanitarian need, secondly by economic potential, and lastly by military potential in the 1990s. This supports the overall decline of strategic military concerns and the increase of humanitarian and economic interests expected after the end of the Cold War.

### *France*

France has a very strong model with an Adjusted R Square of  $.5164$  and an  $F$  significance of  $.0000$ . France, like the U.S., also supports a mixture of the three donor motivation theories. By far the most important explanatory factor for France is trade with the recipient country. The measure has a standardized beta of  $.708$  and a  $t$  significance of  $.000$ . This shows that France strongly favors countries with higher economic potential as expressed by trade opportunity. France's commitment to promoting sustainable development through economic development helps explain this finding. It supports the economic potential hypothesis, and therefore the neo-realist theory of donor motivations,

which holds that donors give aid for their own economic benefit.

Daily caloric intake and GNP per capita are the second and third strongest explanatory measure for France. With a standardized beta of  $-.266$  and  $-.213$  respectively, and both having a  $t$  significance of  $.004$  or better, the negative relationships support the humanitarian expectation that France gives more aid to countries with greater humanitarian need. France favors countries where the people have less to eat and less income, indicating greater humanitarian need, supporting France's claim that it pursues sustainable development in recipient countries through poverty reduction. These findings therefore support the humanitarian need hypothesis, and hence support the idealist theory, which holds that donors give aid for humanitarian reasons.

The percentage of the GNP the recipient country spends on its military is the final and least explanatory measure of France's motivations for giving aid. With a standardized beta of  $-.146$  and a  $t$  significance of  $.025$ , the finding shows that France, like the U.S., favors countries with smaller militaries. As explained in the U.S.'s analysis, this supports both the expected decline in the importance of traditional military potential as a motivating factor, yet also supports the change in what constitutes military potential after the end of the Cold War and therefore supports the military potential hypothesis. The finding hence also supports the realist theory, which states that donors give aid for countries that are strategically important to the donor country.

France's model therefore shows that during the 1990s, trade dominates France's motivations, with humanitarian need coming in a distant second, and military potential taking third place. Thus, France's motivations have changed from Schraeder et al.'s research, which found that France preferred to give aid firstly to former colonies for the spread of its culture, which this research does not test, and secondly to countries with military potential. These findings support the post-Cold War expectation that economic and humanitarian interests would increase in motivational power while strategic military interests would decline.

### *Sweden*

Sweden's regression model has a weak Adjusted R Square of  $.1778$  and an  $F$  significance of  $.0000$ . Nevertheless, the model supports the idea that Sweden might still be considered the darling of the Third World. Three explanatory measures are significant. Of those three, daily caloric intake and the war dummy variable are the first and third strongest measures, with standard-



ized betas of  $-.409$  and  $.217$  respectively. Daily caloric intake has a  $t$  significance of  $.000$  and the war dummy variable has a  $t$  significance of  $.017$ . Both of these findings support Sweden's role as darling of the Third World because they show that Sweden has a strong preference for helping countries suffering from greater famine and internal wars, both of which constitute greater humanitarian need. These findings support Sweden's claim that it uses aid to promote sustainable, positive development for the poor, to foster common security, and to help countries suffering from internal wars. Thus, these findings support the humanitarian need hypothesis, and therefore the idealist theory, which holds that donors give aid for humanitarian reasons.

Trade is the second strongest measure of Sweden's motivations, so Sweden is not whole-heartedly devote to the humanitarian cause. The measure of trade has a standardized beta of  $.286$  and a  $t$  significance of  $.001$ . This finding shows that Sweden gives preferential treatment to countries with which it has more economic opportunities through trade. Trade is one way that Sweden pursues its commitment to fostering income equality in recipient countries, but it cannot be doubted that Sweden also gets economic benefits from the relationships. This finding supports the economic potential hypothesis, and thus the neo-realist theory that donors give aid for economic benefits.

Therefore, Sweden has changed since the period Schraeder et al. examined, when Sweden was motivated primarily by helping former Portuguese colonies, which is not tested in this research, secondly by countries with a socialist ideology, also not tested because of its irrelevance to the recipient countries in the 1990s, and lastly by countries with higher GNPs per capita. In the decade after the Cold War, Sweden's motivations changed to helping predominantly countries with greater humanitarian need, due to suffering from famine and internal strife, and secondly by economic benefits from trade partners. These findings support the expected post-Cold War increase in the motivational power of humanitarian and economic interests.

### *Japan*

Japan's regression model also supports a mixture of the donor motivation theories. With an Adjusted R Square of  $.3264$  and an  $F$  significance of  $.0000$ , the model as a whole is moderately strong. The strongest measure is daily caloric intake, with a standardized beta of  $-.315$  and a  $t$  significance of  $.001$ . The negative relationship shows that Japan favors helping countries with



greater humanitarian need as expressed by greater famine. This finding supports the humanitarian need hypothesis, and thereby the idealist theory of donor motivations, that donors give aid for humanitarian reasons.

The percentage of the recipient's GNP that is spent on the military is the second strongest measure of Japan's motivation. It has a standardized beta of  $-.254$  and a  $t$  significance of  $.001$ . As explained in both France and the U.S.'s analysis, the negative relationship both supports the expected decline in support for military potential as expressed by the recipient country's military ability, and the change in definition of what constitutes strategic military importance because Japan may use aid to try to promote peace and stability and avoid the need for military intervention. This finding supports the military potential hypothesis, and thereby the realist theory of donor motivations, which states that donors prefer to aid countries that have greater strategic importance to them.

The oil dummy variable has the third strongest explanatory power with a standardized beta of  $-.225$  and a  $t$  significance of  $.002$ . The negative relationship indicates that Japan does not specifically seek to help the oil exporters in Africa. This can be explained due to the fact that Japan does not rely upon the African oil exporters for the bulk of its oil, so it does not need to show them any favoritism. Meanwhile, the countries that do not export oil are largely those countries with the greatest humanitarian need, such as Ethiopia, Mozambique, and Burundi, which have the lowest daily caloric intake of the 37 countries. Sierra Leon, Rwanda, Malawi, and Uganda, which have the lowest life expectancies, are not oil exporters. And the two countries with the highest military expenditures, which the analysis shows Japan has a negative relationship with, Sudan and Angola, are oil exporters. Given Japan's preferences for aid recipients with greater humanitarian need and smaller militaries and Japan's lack of need for favoring Africa's oil exporters, it is not surprising that Japan has a negative relationship with the oil exporters. This finding does not support the economic potential hypothesis, and therefore does not support the neo-realist theory of donor motivations, that donors give aid for economic benefits.

The measure with the least explanatory power for Japan further supports the finding that Japan gives aid for humanitarian reasons. GNP per capita in Japan's model has a standardized beta of  $-.210$  and a  $t$  significance of  $.014$ . The negative relationship shows that Japan favors countries with lower GNPs per capita, and thus greater humanitarian need. This finding supports the

humanitarian need hypothesis. Therefore, the finding also supports the idealist theory of donor motivation, stating that donors give aid for humanitarian reasons.

Japan's model shows that its motivations have changed in their priorities since Schraeder et al.'s research. In the 1980s, economic potential dominated Japan's motivations. In the post-Cold War era, economic potential is no longer even a motivator. Rather, the model shows that Japan is at a stage in its history where it helps countries predominantly for humanitarian reasons and secondly for strategic military reasons. This can be explained by Japan's shifting its aid policies away from granting aid purely for economic reasons to more humanitarian reasons in Africa during the 1990s. Given the change from military strategic importance being recipients with large military abilities to recipients that can be stabilized and pacified through aid to avoid conflicts, the findings also confirm the expectation that traditional strategic importance would decline and humanitarian interests would increase in the decade after the end of the Cold War.

#### *Double Checking with Panel-Corrected OLS Regression Models*

The purpose of the Panel-Corrected regression models is to serve as a validity check on the normal OLS models' substantive and statistical findings. The most important finding when comparing the Panel-Corrected OLS models and the normal OLS models is that the signs of the coefficients between the two versions all remain the same. This means that the direction of the relationships discussed previously are sound.

The Panel-Corrected models confirm almost all of the relationships found in the normal models. Only the statistical significance of two out of the 15 measures that were significant in the normal OLS models become insignificant when tested by the Panel-Corrected models. One is the U.S.'s measure of trade, which falls from a significance of .023 in the normal OLS model to .082 in the Panel-Corrected version. The second measure is Sweden's war dummy variable, which falls from a significance of .017 to .150. Conclusions drawn from these two measures should be questioned, but a goal of future research should be to confirm these doubts. Conclusions based on the other 13 measures can be held with certainty.

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*Conclusion*

This study has tested and confirmed that the United States between 1990 and 1999 is motivated primarily by humanitarian need and secondly by strategic military importance. Economic potential dominates France's motivations, followed by humanitarian need and strategic military importance, respectively. Sweden can still argue that it is the darling of the Third World based on its being primarily motivated by humanitarian need, but its secondary preference for countries with which it has more trade deflates the title a bit. Humanitarian need is Japan's primary motivation, and strategic military importance is second.

Each of these four cases support a mixture of two or all three of the theories of donor motivations, showing that the selection of aid recipients is very complex and not without the expectation of getting some kind of benefit, be it economic, military, or both, in return. The findings support the decline in the traditional sense of strategic military importance, as measured by larger military abilities, the change of strategic military importance as a means to prevent conflict and promote peace and stability within regions, and an overall increase in the motivational powers of humanitarian causes and economic benefits. In this way, the research highlights important changes that began with the end of the Cold War.

Further research on this project should validate that the two measures the crosscheck between the normal OLS models and the Panel-Corrected OLS models calls into question are truly insignificant. Creating ordinal, if not interval scales to measure both internal strife and oil exportation would likely yield more conclusive results than the dummy variables included in this research due to time constraints. Finally, a key goal of future research should be empirically explaining more fully the definition of strategic importance that has begun to change as a motivator in the aftermath of the Cold War.

## Appendix A - All charts are given in millions of U.S. dollars

(All charts are given in millions of U.S. dollars)

## United States Total Gross ODA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Algeria	-	-	-	2	1	-	-	-	-	0.06
Angola	1	10	3	14	34	31	25	22	28.76	48.1
Benin	5	19	16	11	16	11	7	22	9.53	19.58
Burkina Faso	11	24	13	18	13	14	9	14	11.45	11.2
Burundi	18	6	16	18	10	23	2	3	0.79	15.77
Cameroon	64	90	28	22	8	3	3	2	7.02	6.23
Central African Rep.	3	4	3	3	10	3	3	2	0.54	0.92
Congo Dem. Rep.	52	43	34	8	1	1	-	-	0.13	11.17
Congo Rep.	3	3	4	2	10	7	10	-	0.13	0.63
Cote d'Ivoire	22	32	20	21	23	10	15	12	22.34	14.99
Egypt	2477	7779	1662	942	716	650	761	596	901.75	787.8
Ethiopia	53	88	68	132	122	70	56	60	53.23	77.33
Gabon	2	2	2	1	2	2	2	2	1.86	1.7
Ghana	15	163	27	46	53	54	30	44	34.52	40.88
Kenya	138	204	56	38	29	36	12	17	30.71	39.73
Liberia	19	42	10	12	17	12	13	12	8.67	36.4
Libya	-	-	-	-	-	-	-	-	-	-
Madagascar	28	71	11	25	22	26	33	33	30.34	29.09
Malawi	21	54	27	30	28	58	32	27	19.8	27.82
Mali	30	38	30	37	29	31	5	38	28.47	34.18
Mauritius	2	1	-	-	-	-	-	-	0.07	0.11
Morocco	67	74	70	53	41	18	35	13	31.08	25.62
Mozambique	62	110	52	61	73	96	45	71	70.45	70.59
Niger	34	39	30	26	19	31	12	16	10.84	6.45
Nigeria	22	44	19	15	12	5	5	12	3.82	7.48
Rwanda	13	27	7	26	194	101	10	10	22.98	39.78
Senegal	57	60	30	42	38	22	43	30	14.14	23.19
Sierra Leone	3	8	13	9	11	9	12	13	13.19	17.37
Somalia	72	6	306	490	350	54	5	6	3.48	19.39
South Africa	-	-	-	66	71	107	73	104	83.26	84.6
Sudan	143	83	11	21	85	8	10	17	13.2	71.52
Tanzania	78	133	27	24	24	18	13	13	29.38	26.45
Togo	10	18	11	8	6	3	3	2	1.52	3.85
Tunisia	44	24	18	7	4	5	-	2	0.71	0.99
Uganda	39	51	22	57	51	49	29	36	35.75	47.4
Zambia	14	90	125	99	17	23	18	52	14.1	29.59
Zimbabwe	15	28	91	27	34	29	17	21	26.13	22.22

## France Total Gross ODA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Algeria	131.17	177.69	227.6	203.09	209.5	184.57	243.12	139.5	118.58	79.11
Angola	12.17	11.75	27.93	20.49	33.54	38.52	14.29	5.64	7.05	8.65
Benin	71.95	89.47	42.85	52.31	62.95	61.88	51.69	33.9	37.06	37.17
Burkina Faso	93.81	125.85	133.39	133.83	112.87	125.13	113.69	68.59	77.34	69.53
Burundi	43	48.81	43.89	36.96	32.2	26.61	21.81	13.61	11.81	9.62
Cameroon	215.04	180.5	470.77	465.64	377.87	322.87	291.52	278.08	264.02	234.61
Central African Rep.	74.15	74.87	76.9	96.53	75.42	69.33	78.95	41.3	41.68	41.02
Congo Dem. Rep.	180.18	187.28	32.69	23.31	28.85	32.78	32.78	17.28	18.99	17.88
Congo Rep.	169.31	117.09	67.34	97.21	297.83	129.03	250.25	292.56	33.99	32.88
Cote d'Ivoire	50.42	356.55	487.78	622.14	778.62	648.97	488.31	262.57	336.07	305.81
Egypt	149.66	163.6	301.47	260.68	549.48	503.9	302.6	287.12	317.31	270.38
Ethiopia	15.41	8.35	10.85	12.57	11.77	10.95	11.17	7.93	10.88	10.87
Gabon	137.76	126.86	78.24	123.91	207.98	160.74	188.56	87.72	75.39	54.02
Ghana	12.39	25.92	46.88	27	32.74	28.74	20.98	17.05	10.78	10.5
Kenya	59.32	40.15	40.02	20.57	22.63	21.55	30.1	16.16	19.54	17.04
Liberia	1.79	1.45	1.43	1.85	2.1	0.93	0.95	1.34	1.8	0.03
Libya	0.76	0.77	0.76	0.65	0.64	1.67	0.37	0.38	0.88	0.88
Madagascar	161.17	157.02	156.59	148.98	135.31	139.04	144.23	349.37	100.08	105.4
Malawi	9.5	9.82	15.3	6.92	1.58	2.2	3.35	2.96	2.2	1.91
Mali	134.15	99.18	97.64	89.42	100.09	92.65	93.74	73.52	71.1	72.51
Mauritius	39.11	59.27	42.08	30.37	18.42	33.79	19.15	19.96	17.23	18.84
Morocco	245.73	312.72	247.75	272.5	177.56	257.79	352.8	214.87	254.69	265.62
Mozambique	79.01	91.32	91.85	66.33	52.05	60.46	41.76	61.76	53.9	48.99
Niger	87.89	124.71	113.38	96.06	162.43	90.81	104.29	109.31	80.46	59.84
Nigeria	6.29	6.13	18.81	7.59	10.23	15.56	6.08	3.98	3.04	5.24
Rwanda	37.17	43.06	30.16	35.53	29.8	11.75	16.56	16.07	33.17	16.22
Senegal	250.19	278.48	259.1	226.93	344.34	288.56	220.01	185.74	182.92	263.33
Sierra Leone	3.25	2.68	7.12	6.06	10.23	6.4	3.67	2.97	1.39	0.49
Somalia	4.73	4.05	16.75	6.29	5.82	7.74	4.52	4.59	4.24	2.97
South Africa	-	-	-	-	-	-	-	-	-	-
Sudan	7.22	5.82	5.78	6.07	7.88	7.02	8.12	5.83	8.8	5.42
Tanzania	4.72	11.88	28.72	20.37	12.2	22.74	5.92	81.52	8.62	6.45
Togo	96.94	77.82	64.5	49.38	53.79	82.09	48.74	44.75	42.75	30.4
Tunisia	89.89	104.38	108.51	103.45	79.54	106.62	104.14	87.71	101.11	133.39
Uganda	7.36	10.42	7.27	6.03	3.57	10.92	13.65	5.93	3.69	2.43
Zambia	21.39	20.03	14.53	14.35	11.49	8.57	2.06	3.4	10.72	17.96
Zimbabwe	17.33	18.18	13.9	7.73	12.14	13.11	9.6	2.45	2.75	3.92

Sweden Total Gross ODA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Algeria	19.24	1.68	2.23	0.95	1.37	2.96	3.03	0.74	2.81	1.95
Angola	38.25	31.72	36.2	18.1	32.02	26.52	36.17	27.83	22.54	17.77
Benin	-	0.02	-	0.01	-	0.05	0.01	0.01	-	0.23
Burkina Faso	0.11	1.14	0.48	0.71	0.18	0.91	0.79	1.44	1.93	0.63
Burundi	-	1.79	-	2.07	1.48	3.42	4.88	2.97	4.99	3.67
Cameroun	-	-	-	-	4.04	0.03	-	-	-	-
Central African Rep.	-	0.94	0.03	0.82	0.01	0.58	0.59	0.44	0.55	0.28
Congo, Dem. Rep.	-	5.67	1.44	3.38	4.08	4	4.46	6.72	4.21	9.3
Congo, Rep.	0.08	0.58	0.04	1.19	-	0.32	0.56	1.24	10.77	0.89
Cote d'Ivoire	-	0.17	-	0.23	-	0.06	0.38	0.15	0.17	0.28
Egypt	0.64	1.5	0.9	6.13	2.88	7.32	11.83	2.25	1.05	0.9
Ethiopia	48.93	42.5	45.45	52.26	25.62	39.06	39.3	35.95	32.45	18.88
Gabon	0.02	-	-	-	-	-	-	-	-	-
Ghana	1.98	2.53	2.13	3.62	0.43	1.17	3.85	3.76	0.65	0.58
Kenya	31.19	27.36	28.59	17.97	17.43	19.77	23.31	17.32	15.94	11.32
Liberia	0.06	0.3	3.76	0.76	1.6	1.35	2.67	5.77	7.57	3.59
Libya	-	-	0.03	-	0.02	0.01	0.24	0.1	-	-
Madagascar	-	5.64	-	0.13	0.17	0.07	0.05	-	4.57	-
Malawi	0.25	0.29	0.35	0.22	0.13	0.43	8.08	5.34	0.19	3.62
Mali	-	0.11	-	0.15	0.01	0.25	0.83	0.81	0.81	0.29
Mauritius	5.84	2.1	0.41	0.42	0.34	0.21	0.04	0.04	-	-
Morocco	2.3	2.25	10.54	0.64	0.9	0.94	0.66	0.34	0.33	0.59
Mozambique	136.08	134.99	97.2	71.78	73.53	54.15	61.25	52.05	33.91	51.42
Niger	-	0.1	-	0.08	0.05	0.1	0.04	0.31	-	0.07
Nigeria	-	0.19	0.07	0.21	0.11	0.8	0.6	0.96	0.62	0.37
Rwanda	0.13	1.79	0.3	3.35	12.18	5.81	5.43	1.9	9.93	13.11
Senegal	0.03	0.4	1.84	0.42	0.3	1.9	1.75	1.79	0.71	0.15
Sierra Leone	0.21	0.72	-	0.74	0.06	1.15	2.19	0.75	3.8	2.5
Somalia	2.49	11.38	11.87	9.93	10.25	13.66	11.37	7.45	3.93	5.29
South Africa	-	-	-	37.87	29.73	19.6	33.24	41.06	31.11	40.88
Sudan	7.05	11.6	1.93	6.27	5.19	5.25	2.21	4.08	10.42	6.84
Tanzania	149.57	143	93.07	91	51.29	45.25	65.18	48.18	59.84	46.21
Togo	0.03	2.41	-	0.32	1.08	0.19	1.52	0.11	0.07	0.29
Tunisia	18.95	7.78	7.29	2.21	7.36	1.18	1.17	0.51	0.42	1.51
Uganda	14.54	34.26	29	16.58	25.38	25.31	32.65	31.33	9.66	20.34
Zambia	37.17	90	79.5	34.47	35.49	28.91	31.12	13.88	19.74	15.25
Zimbabwe	36.35	36.06	64.55	35.79	33.95	28.98	35.94	22.9	17.48	19.11

Japan Total Gross ODA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Algeria	4.59	6.58	7.61	4.36	2	2.21	0.9	2.07	0.48	0.8
Angola	0.01	0.09	3	0.12	0.12	0.12	5.17	11.88	17.85	21.95
Benin	2.89	1.16	5.4	16.97	11.37	12.28	44.74	11.81	32.95	14.16
Burkina Faso	1.74	4.35	9.3	6.88	11.82	6.66	14.85	8.24	8.85	28.18
Burundi	9.98	12.11	12.66	8.21	7.42	4.14	1.01	-	-	1.06
Cameroun	4.69	16.41	9.39	11.4	10.13	3.16	7.1	4.91	9.71	21.9
Central African Rep.	8.75	8.35	20.21	14.27	10.45	49.8	30.61	19.97	14	18.14
Congo, Dem. Rep.	69.77	21.02	4.78	0.51	4.45	5.38	4.53	5.76	0.04	0.12
Congo, Rep.	38	3.26	1.92	2.4	0.38	0.3	0.18	0.12	0.17	0.04
Cote d'Ivoire	55.23	51.03	12	43.12	20.4	54.87	58.39	33.51	39.99	56.1
Egypt	169.29	640.75	110.59	47.64	188.99	242.83	201.46	125.52	91.71	146.77
Ethiopia	11.23	17.64	10.5	47.64	43.89	62.49	50.15	37.33	26.08	40.38
Gabon	0.14	0.42	0.54	0.54	0.23	0.26	0.24	0.83	0.5	0.33
Ghana	71.9	116.06	71.29	85.65	137.56	126.65	115.3	77.17	159.81	119.55
Kenya	101.25	205.82	139.76	157.67	146.11	216.7	113.85	87.6	71.06	92.48
Liberia	6.42	0.05	0.2	0.06	0.03	-	-	0.45	-	1.47
Libya	0.03	0.03	0.03	0.1	0.07	0.08	0.05	0.02	0.02	0.03
Madagascar	16.75	56.83	16.47	48.91	36.99	30.01	51.93	30.2	52.26	50.35
Malawi	46.75	19.7	25.79	26.29	101.43	51.15	68.25	41.45	53.66	41.68
Mali	12.28	16.47	9.98	9.09	22.31	48.21	38.43	26.38	27.22	27.58
Mauritius	7.37	6.34	1.89	1.66	1.22	8.3	5.16	6.74	6.18	3.33
Morocco	111.64	32.48	42.86	66.56	77.48	44.82	62.51	35.16	50.64	73.25
Mozambique	17.47	16.42	39.84	20.18	44.7	41.26	32.17	39.98	14.53	64.27
Niger	38.67	34.75	22.55	29.17	43.39	22.03	8.03	17.8	14.4	19.61
Nigeria	82.78	19.59	50.42	15.03	9.87	13.3	1.65	0.64	0.62	2.19
Rwanda	14.36	9.21	16.81	14.94	16.47	1.5	0.55	8.13	9.03	7.95
Senegal	82.06	26.39	65.02	35.6	76.87	75.44	59.35	26.85	34.36	60.85
Sierra Leone	5.97	0.88	3.84	4.1	10.66	3.62	0.85	1.39	1.2	1.17
Somalia	10.2	1.53	0.15	0.18	-	-	-	0.4	0.01	-
South Africa	-	-	-	1.8	3.09	4.34	7.3	28.91	30.83	14.06
Sudan	38.94	51.02	27.44	15.22	20.26	21.19	18.64	0.47	0.17	0.6
Tanzania	44.25	61.16	79.65	99.9	107.21	126.86	109.49	65.88	102.66	81.02
Togo	9.33	8.8	1.91	3.48	1.74	0.08	27.24	28.53	11.93	9.39
Tunisia	35.62	30.26	7.35	31.81	6.31	8.25	14.02	20.36	45.69	48.84
Uganda	9.47	14.92	14.57	39.67	48.79	41.5	26.59	26.86	23.91	28.22
Zambia	40.11	103.92	126.37	90.86	111.18	111.66	48.27	51.58	36.09	66.68
Zimbabwe	25.78	43.86	51.51	30.91	28.61	28.61	49.48	41.16	29.06	81.73

Appendix B

U.S. Normal OLS Model

Adjusted R Square	Significance of F
.1315	.0006

Independent Variable	Coefficients	Standardized Beta Coefficients	Standard Error	t	Significance of t
GNP Per Capita	-3.01e-06	-.190	1.50e-06	-2.007	.047
Imports from The U.S.	.0653	.230	.0284	2.295	.023
% of GNP Spent on the Military	-.0003	-.217	.0001	-2.449	.016
Daily Caloric Intake	6.48e-07	.022	3.08e-06	0.210	.834
Oil Dummy	-.0024	-.097	.0023	-1.017	.311
War Dummy	.0071	.235	.0031	2.303	.023

France Normal OLS Model

Adjusted R Square	Significance of F
.5164	.0000

Independent Variable	Coefficients	Standardized Beta Coefficients	Standard Error	t	Significance of t
GNP Per Capita	-5.55e-06	-.213	1.90e-06	-2.920	.004
Imports from France	.1368	.708	.0127	10.767	.000
% of GNP Spent on the Military	-.0004	-.146	.0002	-2.263	.025
Daily Caloric Intake	-.0000	-.266	4.26e-06	-3.704	.000
Oil Dummy	.0013	.024	.0035	0.377	.707
War Dummy	.0036	.057	.0041	0.886	.377

Sweden Normal OLS Model

Adjusted R Square	Significance of F
.1778	.0000

Independent Variable	Coefficients	Standardized Beta Coefficients	Standard Error	t	Significance of t
GNP Per Capita	5.56e-07	.050	1.15e-06	0.482	.631
Imports from Sweden	.4027	.286	.1236	3.259	.001
% of GNP Spent on the Military	-.0001	-.108	.0001	-1.188	.237
Daily Caloric Intake	-8.78e-06	-.409	2.41e-06	-3.646	.000
Oil Dummy	-.0012	-.057	.0018	-0.661	.510
War Dummy	.0052	.217	.0021	2.413	.017

Japan Normal OLS Model

Adjusted R Square	Significance of F
.3264	.0000

Independent Variable	Coefficients	Standardized Beta Coefficients	Standard Error	t	Significance of t
GNP Per Capita	-2.00e-06	-.210	8.00e-07	-2.496	.014
Imports from Japan	.0412	.120	.0253	1.627	.106
% of GNP Spent on the Military	-.0003	-.254	.0001	-3.371	.001
Daily Caloric Intake	-6.83e-06	-.315	1.94e-06	-3.530	.001
Oil Dummy	-.0044	-.225	.0014	-3.106	.002
War Dummy	-.0034	-.146	.0018	-1.890	.061



Appendix C

U.S. Panel-Corrected OLS Model

Significance	.0001
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Independent Variable	Coefficients	Panel-Corrected Standard Error	t	Significance of t
GNP Per Capita	-3.01e-06	1.03e-06	-2.913	.004
Imports from U.S.	.0653	.0375	1.741	.082
% of GNP Spent on the Military	-.0003	.0001	-3.085	.002
Daily Caloric Intake	6.48e-07	3.91e-06	0.166	.868
Oil Dummy	-.0024	.0016	-1.479	.139
War Dummy	.0071	.0035	2.037	.042

France Panel-Corrected OLS Model

Significance	.0000
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Independent Variable	Coefficients	Panel-Corrected Standard Error	t	Significance of t
GNP Per Capita	-5.55e-06	2.22e-06	-2.498	.012
Imports from France	.1368	.0185	7.385	.000
% of GNP Spent on the Military	-.0004	.0001	-3.021	.003
Daily Caloric Intake	-.0000	3.48e-06	-4.537	.000
Oil Dummy	.0013	.0033	0.398	.691
War Dummy	.0036	.0037	0.964	.335



## Sweden Panel-Corrected OLS Model

Significance	.0000
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Independent Variable	Coefficients	Panel-Corrected Standard Error	t	Significance of t
GNP Per Capita	5.56e-07	3.70e-07	1.501	.133
Imports from Sweden	.4027	.1087	3.706	.000
% of GNP Spent on the Military	-.0001	.0001	-1.168	.243
Daily Caloric Intake	-8.78e-06	2.15e-06	-4.091	.000
Oil Dummy	-.0012	.0006	-1.865	.062
War Dummy	.0052	.0036	1.438	.150

## Japan Panel-Corrected OLS Model

Significance	.0000
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Independent Variable	Coefficients	Panel-Corrected Standard Error	t	Significance of t
GNP Per Capita	-2.00e-06	6.49e-07	-3.079	.002
Imports from Japan	.0412	.0373	1.103	.270
% of GNP Spent on the Military	-.0003	.0001	-3.394	.001
Daily Caloric Intake	-6.83e-06	1.70e-06	-4.019	.000
Oil Dummy	-.0044	.0012	-3.571	.000
War Dummy	-.0034	.0018	-1.914	.056

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